

CRAGER, INC., RAIDED TO RESCUE MILLIONS

'System' Charged With Getting Investors to Buy Into Shaky Concerns.

'RELOADING' ALLEGED

Head of Concern, Arrested Here, Is Under Indictment in Altoona Also.

WARRANTS OUT FOR 15

U. S. Agents Say Glass Casket Corporation Was Misrepresented.

A reloading stock selling scheme, in which, it is alleged, from \$2,000,000 to \$3,000,000 has been lost by investors, was brought to light yesterday when post office inspectors raided the spacious offices of the Crager System, Inc., at 140 West Forty-second street, on a charge of using the mails to defraud.

Benjamin Crager, president of the concern, living at 710 Riverside Drive; his father, Henry Crager, vice-president of the company, and Joseph E. Dorn, a broker of 2 Rector street, were arrested and released later in \$10,000 bail each when arraigned before Samuel M. Hitchcock, United States Commissioner. Warrants for thirteen other men have been issued charging the same offense.

The arrests were made by Thomas Fitch and Nathan Nolle, Post Office Inspectors, after a two months' investigation.

The specific charge is in the sale of \$1,000,000 worth of reloading stock of the Glass Casket Corporation of Altoona, Pa., to stockholders of record in that corporation. The complaint was made by C. M. Daniels of 24 Main street, Boswell, Pa., to whom it is charged circulars making false representations were sent.

According to Inspector Fitch and Peter J. McCoy, Assistant United States Attorney, salesmen represented to stockholders of the casket company that national and State legislation was under consideration whereby it would be a violation for a person to be buried in anything but a glass coffin. This, they said, would reap millions of dollars to the stockholders.

Benjamin Crager is under indictment in Altoona charged with conspiracy to cheat, false pretenses, embezzlement and larceny of securities. He was arrested here recently at the request of the Pennsylvania authorities and is out on \$10,000 bail pending an appeal in extradition proceedings.

The Crager System, Inc., was incorporated in New York on January 19 last with an authorized capital of \$25,000, all common stock of \$100 par value. Mr. McCoy says the concern under a different name has been operating for two years in Chicago and other cities.

Concern Has Large Growth.

The Crager System began here with a small force of clerks and salesmen, but according to Mr. McCoy it had until yesterday fifty to seventy-five clerks and occupied the third and fifth floors of the building. Approximately as many "high powered" salesmen are employed who work on a liberal salary and percentage basis, said Mr. McCoy.

These salesmen, in person or over the telephone, invariably convince stockholders that companies near failure can be made paying and going concerns by coming into the fold of reloading financial enterprises.

The reloading stock selling scheme was exposed a few weeks ago by THE NEW YORK HERALD. It generally involves the selection of a company in a depleted financial condition and having unsold treasury stock.

According to the complaint the Crager System purchased such stock upon the most favorable terms at a low figure, and with the purchase was turned over the list of shareholders under an agreement to place a representative in the office of the company during the period necessary to complete its financial rehabilitation.

The government charges that the defendants required under a signed contract that the officers of the Glass Casket Corporation and those of other corporations whose unsold treasury stock had been secured in the same way to cooperate in selling the treasury stock at higher figures.

Having obtained a list of the stockholders, according to the Post Office Inspectors, the selling organization through the use of the mails and its salesmen approached them by means of statements, innuendoes and inferences, creating in their minds the belief that the company was approaching prosperity. The shareholders seeing big profits in sight refused to sell their original stock, and it is charged, by trickery and false representation, purchased more stock from the reloading company at inflated prices. In many instances, according to Mr. McCoy, stockholders were unable to pay in full for the stock and put up Liberty bonds and other securities as part payment.

League Issues Statement.

The Better Business Bureau of New York, with headquarters at 61 Broadway, that for the last six months has been investigating the activities of the Crager System, Inc., issued this statement last evening.

"The corporations which employ reloading houses are generally so deplorably in need of money that they either acquiesce in the plan of the stock sales concern or else they do not inquire too closely into their practices. The victims of reloading salesmen are largely women, old men and wage earners who have saved up a little money for a rainy day."

"As a rule the net price which the corporation is to receive from the reloading house for the sale of its treasury stock is a good deal higher than the market price of its stock. But there being no way of preventing the reloading house from buying old stock in the open market and selling it to old stockholders, this is frequently done. The corporation client does not benefit in any way by such transaction, but the reloading house does, as it can buy the old stock cheaper than it can buy new treasury stock from the corporation. At the same time the sales organization can resell this old stock at the same price as new treasury stock."

Thomas McGrath, a former Assistant District Attorney of New York county, counsel for the defendants, said that his clients were doing a legitimate business and had not used the mails to defraud.

DRUNKEN POLICE A 'MENACE' AND WILL GET NO LENIENCY

Deputy Commissioner Leach Says He Is Through Pleading With Enright for Intoxicated Men Who Get Into Disturbances.

John A. Leach, First Deputy Police Commissioner, presiding yesterday at the police trials in Brooklyn headquarters at Poplar street, declared that he would never again intercede with Commissioner Enright for policemen who had been charged with being intoxicated while in uniform.

Three policemen were arraigned before Commissioner Leach yesterday on charges of drunkenness. In announcing his decision to punish drunken policemen he said:

"In cases where I made intercession yesterday afternoon, two of the men to whom the Commissioner was merciful at my request have since been charged with murder. Another was himself killed. The stuff they get makes them mad. Members of the force must either give up drinking or leave the job. We cannot permit men who indulge in intoxicating beverages to be in possession of a nightstick or a revolver. They are a menace to the community and the Police Commissioner insists that they be removed."

One of the cases of murder referred to by Commissioner Leach was that of Policeman John E. Soden of the Glendale station, Queens. He is awaiting trial on a charge of having shot and

SHE ENJOYED AIDING SUTTON IN HIS DEALS

Woman, Claiming Relationship to Harrimans, Thought It 'Splendid.'

Miss Florence James of 22 East Eighty-ninth street, who says she is related to the Harriman family, took the stand yesterday before Judge Tully in General Sessions as the first witness against Major Redondo Sutton, a former army officer, charged with victimizing society women by means of false stock prospectuses. Sutton was indicted last March as the result of information from Alfred E. Lindsay, his former business associate.

Miss James said that she met Major Sutton through Charles W. Galvin, a broker, at 50 Broad street, and that through Galvin indirectly she finally became an agent for Sutton's stock in the so-called Pacific Minerals and Chemicals Company, with offices at Forty-second street and Broadway. She believed the stock to be valuable, she said.

She appeared amused at the proceedings when cross-examined by George Gordon Bates, attorney for Sutton, and smiled as she told how Sutton had informed her that he had made "a lot of money" from California talc mines.

"I want you to meet Major Sutton," she testified Galvin said to her. "He is a charming man and his wife is a lovely woman." An appointment was then made for her to meet Sutton at the Ritz-Carlton hotel, she said, but when she arrived there she could not find Galvin. Instead, she said, she saw a man walking after the lobby with a watch in his hand and after a time she asked him if he were Major Sutton.

"I am," she quoted him as saying. She said they discussed social matters and she asked him for copies of the prospectus regarding the corporation's stock. "I thought they would be splendid to give my friends," the witness said.

Mr. Bates made a motion at that point that the case be dismissed on the ground that only a corporation can be accountable by law on the charge of falsely representing its stocks, and that the concern of which Sutton was president was not incorporated until August 19 of last year, whereas the circulation of the prospectuses and the sale of the stocks by Miss James were effected in June of last year. Miss James was specifically alleged in the complaint to have sold \$250 worth of the stock to Mrs. W. H. Arnold, on June 27 of last year. Judge Tully denied the motion.

But when the witness saw his name listed in that connection before, she said, she had no connection with the corporation and had not talked with Sutton regarding it. When Assistant District Attorney Whelan showed him a prospectus with the name of the witness as a director, he said he never saw his name listed in that connection before.

Gen. Dunwoody said he met Sutton in 1917 and that the latter was associated with him in the American Gun Company and in another gun company. He said he gave Sutton 100 shares in the former company.

The case will be resumed to-day.

BANTON SAYS DIER WILL GET A FAIR TRIAL HERE

Trusts Manhattan People—Fights Venue Change.

District Attorney Banton said yesterday that he will strenuously oppose a motion made by counsel for Elmore D. Dier, indicted stock broker, that the trial be held outside New York county when the matter comes up before Justice Vasservogel in the Supreme Court to-day.

Mr. Banton ridiculed Dier's assertion that he would not get a fair trial in Manhattan because of the publicity given his case. "I am satisfied the people of New York county are fair minded enough to assure a fair trial to any defendant and I have instructed Ferdinand Pecora, my assistant, to appear in court and oppose the granting of Dier's motion," the District Attorney said.

Dier was to have come on trial to-day before Judge Johnston in General Sessions on a charge of grand larceny and bookmaking, but the motion for change of venue may delay its opening.

FOUR HELD IN CHICAGO ON INDICTMENTS HERE

Accused in Case of Glass Casket Corporation.

Chicago, Sept. 26.—With the arrest of four men here to-day on indictments returned in New York Federal agents declared that they had put an end to a large mail order fraud.

The four men, held in \$25,000 bonds each, were Samuel Saff, Samuel Getzler, H. E. Sideman and Samuel Rosenblatt. They were said to have operated the Glass Casket Corporation, with headquarters in New York.

The prisoners were charged with making false representations as to the company's assets and recommending the purchase of its stock. In advertising matter they were said to have offered large returns to investors.

LAWYER DENIES BIG SALES BY DILLON LIST

Not Same McGee on Books as Owing Money and Owning Stocks.

LIFKIN ALSO PROTESTS

Fallon, Referee Shows, Used Brokers' Checks to Pay Bills in His Business.

FIRM STARTED ON \$20,000

Failure Was Put at \$300,000 When Crash and Bucketting Charge Came.

Keyes Winter, trustee in the \$300,000 bankruptcy of Dillon & Co., stock brokers, alleged to have been backed by "Dandy Phil" Kastel, showed yesterday at a hearing before Peter B. Olney, referee, that in addition to the \$4,000 Dillon & Co. check that William J. Fallon, formerly Kastel's lawyer, indorsed over to Gertrude Vanderbilt, "Gold Diggers" star, Mr. Fallon also obtained funds from Dillon & Co. to pay expenses in law suits in which apparently Dillon & Co. were entirely uninterested. It was brought out also that Dillon & Co. used the name of Eugene F. McGee as a dummy account to conceal cross sales, or bucketting of customers' stocks, and that a similar use was made of the name of L. Lifkin.

Mr. Winter called to the stand Eugene F. McGee, who formerly represented Kastel, and was also a law partner of William J. Fallon, who represented Kastel in the Arnstein bond theft case. Mr. McGee denied that he ever had any stock transactions with Dillon & Co. "That is not my name," he said, "but a name similar to mine. I know nothing about this account."

Never Had Deal With Dillon.

Previous testimony of L. Lifkin, the furrier, from whom Kastel is alleged to have bought a fur coat with \$910 of Dillon & Co.'s money, for Doris Sheerin, motion picture actress, was that he never had any stock transactions with Dillon & Co.

The books showed numerous operations in the name of Lifkin, and that thousands of shares of a score of different stocks had been sold short in the Eugene F. McGee account.

Mr. McGee was first apprised of the short account when Mr. Winter spread out the ledger and said:

"Now, Mr. McGee, this book shows that you owe me—"

He got no further. Mr. McGee interrupted:

"What?"

Mr. Winter explained the short account, and added:

"I see from the books, however, that I also owe you some stocks, Mr. McGee. You are down as having bought several thousand shares of three or four varieties."

Mr. McGee denied all knowledge also of the purchase account.

While Mr. McGee did represent "Dandy Phil," he said he never had represented Dillon & Co. He explained three Dillon & Co. checks totaling \$1700 by saying that he had some checks from out of town banks and to facilitate cashing them he left them with Dillon & Co. and took the Dillon checks in exchange.

Dillon Checks Pay Lawyer's Bill.

Peter P. McLaughlin, an official stenographer of the Court of General Sessions, testified that Mr. Fallon paid him \$230 to check the minutes of the trial of Frank B. Taylor, who is serving a term in Sing Sing for larceny of stock of a customer of H. C. Loup & Co., stock brokers, who failed in 1917 for \$2,000,000 and for whom Taylor was office manager; and also for a record of the minutes of the trial of Cornelius J. Flood, a policeman, who was convicted last year of manslaughter of James Cushing, a fifteen-year-old boy. Fallon represented Flood and Taylor.

Another fact brought out by the trustee was that, although Dillon & Co. failed for \$300,000, they started with a maximum capital of only \$20,000, which came from Dunn & Co., their predecessors. Dunn & Co. gave Wade Templeton & Co., stock brokers at 42 Broadway, a check for \$20,000; Wade Templeton & Co. gave Daniel Dillon a check for \$20,000; and Dillon gave Dillon & Co. a check for \$15,000. It has not been shown whether the \$5,000 which did not go from Dillon to Dillon & Co. was used to run the office, nor has it been shown whether the \$15,000 which did go from Dillon to Dillon & Co. became part of the funds against which Kastel, Fallon and others drew for various purposes. It is alleged that Kastel was backer of Dunn & Co. before Dillon & Co.

AGED YONKERS WOMAN KILLED BY AUTOMOBILE

Mrs. Buckmaster Run Down on Way to Church.

Coroner Edward Fitzgerald of Westchester county is investigating the death of Mrs. Julia Buckmaster, aged 81, of 80 Ashburton avenue, Yonkers, who was struck by an automobile as she crossed the street to enter St. Paul's Episcopal Church. She was knocked down by a car operated by Joseph W. Goetz of 164 West street, Brooklyn. She died in St. John's Hospital.

Her son, Dr. Clarence Buckmaster, Health Commissioner of Yonkers, after talking with witnesses, declined to make a complaint.

SEIZE LIQUOR IN RAID IN GREENWICH VILLAGE

Police Arrest Woman Proprietor of the 'Mill.'

Inspector Thomas Underhill and ten detectives from the Mercer street station made a raid last night on the Greenwich Village Mill, a restaurant at 47 West Third street. They arrested the owner, Miss Hermione Vintner, and a waiter, Lindo Perissinello, of 61 West Eighth street.

In a storeroom on the second floor the detectives found 675 bottles of whiskey, gin, vermouth, champagne, claret and other liquors, and several jugs and jars of red wine.

American (A.T.C.) Cord Tires
—oversize full—\$10 for the
30x3½—Last week.

Broadway at Ninth

John Wanamaker
Formerly A. T. Stewart

Store hours now
9 to 5.30

Telephone 4700 Stuyvesant

A Home Ruled With an Iron Hand

may be necessary sometimes, so let us be considerate not to misjudge each other and to hold back sharp words and have on hand at all times a full purse of soft words, which may mean more than gold to some sufferer who crosses our path.

[Signed]

John Wanamaker
September 27, 1922.

Exhibit of Dahlias

Wednesday to Saturday
of this week.

One of the most notable collections ever seen in the city, in point of variety and especially in point of quality.

Every bloom has been grown expressly for John Wanamaker on the Peacock Dahlia Farms.

Orders taken for
bulbs of the blooms
(Strong, field-grown bulbs)

to be delivered the latter part of April next.

Main Aisle, Street Floor,
NEW BUILDING

AU QUATRIEME

The exquisite colors of Shell Flowers

that came the other day from France are matched by the music of their French names:

Roses tremieres

(hollyhocks)

Great branches with shiny green leaves, lovely big blossoms in orange or pink.

Roses Noel

(Christmas roses)

Scarlet, orange, pink.

Branches d'or

(buttercups)

Lift up shining bowls of gold or orange.

Liserons

(morning glories)

Iris and anemones

Whose French names are the same as the English.

Peach and appleblossoms and japonica

To make the house a spring-time bower through all the autumn days.

\$1 to \$6.

Branches d'automne

As beautiful as the flowers and so appropriate, with their flaming leaves and their bunches of grapes.

Fourth Floor, Old Building



A New Found Dignity for Miss 16 to 20

This year, the smart young miss trails her skirts to the ground, or nearly so, and wears velvets beaded after the fashion of the *Moyen Age*, quite sophisticated and yet youthfully straight frocks of sumptuous metal cloth, or returns to the naivety of full-skirted, lace-berthed—1830.

Much Metal Cloth

Plain or brocaded in glorious colors—much worn in Paris by even the younger women.

White Velvet

—which this year, is very smart, as well as white in crepes and satins; these make most charming wedding gowns.

French Frocks, too

An unusually delightful group of original French frocks, Georgette crepes and chiffons, and velvets, beaded in fascinating patterns, with crystal clear or tinted and with steel.

Lace Frocks, too

Made youthful by some touch of flowers or ribbons.

\$65 to \$295

Second Floor, Old Building

Chinese Rugs—Opportunity

Variety of Sizes. Good Colors. Fine Savings.

\$57.50 to \$95—for \$85 to \$125 grades

Average size, 7x4 feet

\$95, \$110, \$115—for \$125 to \$150 grades

Average size, 9x6 feet

\$175 to \$275—for \$250 to \$375 grades

Average size, 9x12 feet

\$225 to \$425—for \$375 to \$650 grades

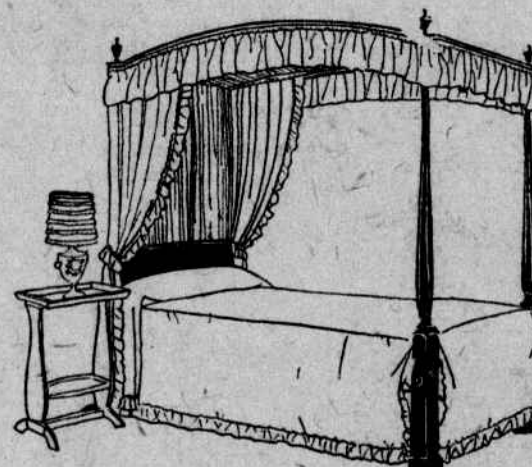
Sizes from 13x10 feet to 14x10 feet

Third Gallery, New Building

\$7.50—for \$9.50 Motor Robes

All wool. Irish weave. Plaid on both sides. Attractive grays, greens, browns, blues. 60x84 in. with fringe. Weight 3½ pounds. Only 150 at this price.

Street Floor, New Building



Four-Post Canopy Beds in Chippendale design

Slender fluted columns to hold a canopy of frills or dignified severity—both are smart with this quaint four-post bed made by Belmison, in mahogany after a Chippendale original, or painted to order.

Green Gingham Hangings

One copy, now in Belmison, is hung with a fine checked green gingham. Charming in either a guest room or for a young girl's room. Or one may have dotted Swiss or gaily patterned glazed chintz, perhaps, with equally delightful effect.

In mahogany, \$120. Painted, \$125.

Fifth Gallery, New Building

Praise-winning Bed-coverings

We made them in our own workrooms. And we are told that there is nothing to match them in value.

Down-filled Quilts, \$25

Cut extra long—6x7 feet. Covered with Jap. silk in charming shades of rose, pink, copenhagen blue, light blue, gold and fawn.

Wool-filled Comforters, \$27.50

Full size—72x78 in. Covered with satin. Beautifully tufted. In exquisite shades of rose, copenhagen blue, blue and fawn.

First Floor, Old Building

Velours Portieres, \$24.75

Reversible. 200 pairs ready. Complete color line.

We do not believe that, considering the quality of the velours and the manner of finishing, there are any such portieres to be had in New York at or near this price.

7 ft. 6 in. high, 48 in. wide, finished; French open seams down front edges; overlapped seams, top, bottom and back sides.

One tone—blue, brown, rose, golden brown, alike on both sides.

Two tones—blue with taupe, brown, red, rose, golden brown and mulberry. Rose and green, rose and brown. Green and brown.

Fourth Gallery, New Building

Sale of Exhibition Pieces of Fine Upholstered Furniture

Jamestown Lounge Co.'s

Suites and separate chairs.

For living room and library.

Fall frames and colorings.

—third below regular prices.

Sixth Gallery, New Building



SHOPS FOR MEN—STREET FLOOR

Now Is the Time for a Good Golf Suit

Gone are the days of
shirt-sleeve golf

4-piece Suits

\$48 to \$75

Fine fabrics.

Roomy-back coats

Deep pockets

Comfortable fit.

Warm. Smart.

Variety of patterns.

A New Idea

4-piece golf and traveling suits of imported tweeds, and topcoat of same material. Suit, \$75. Topcoat, \$60.

Golf Stockings from London

The finest collection we have assembled. Covers every need we can imagine. Light weight. Medium weight. Heavy weight. Plain colors. Mixtures. Stripes. Diamond effects. Bias stripes. Every taste considered. Every pocket book provided for.

\$1.75 to \$10 pair. 14 prices, all told.

GOLF CLUBS. GOLF BALLS. GOLF SHOES.